



SMALL BANK

Comptroller of the Currency
Administrator of National Banks

PUBLIC DISCLOSURE

October 22, 2001

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**Albany Bank & Trust, N.A.
Charter Number 23752**

**2815 Meredyth Drive
Albany, GA 31708**

**Comptroller of the Currency
ADC - North Florida
8375 Dix Ellis Trail, Suite 403
Jacksonville, FL 32256**

NOTE: This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods consistent with safe and sound operation of the institution. This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

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GENERAL INFORMATION

The Community Reinvestment Act (CRA) requires each federal financial supervisory agency to use its authority when examining financial institutions subject to its supervision, to assess the institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. Upon conclusion of such examination, the agency must prepare a written evaluation of the institution's record of meeting the credit needs of its community.

*This document is an evaluation of the Community Reinvestment Act (CRA) performance of **Albany Bank and Trust (AB&T)**, Albany, Georgia, prepared by **The Office of the Comptroller of the Currency**, the institution's supervisory agency, as of **October 22, 2001**. The agency rates the CRA performance of an institution consistent with the provisions set forth in Appendix A to 12 CFR Part 25.*

INSTITUTION'S CRA RATING: This institution is rated “**Satisfactory Record of Meeting Community Credit Needs.**”

The performance rating is supported by the following:

- C The loan-to-deposit ratio is reasonable;
- C The bank has a satisfactory record of lending within the assessment area;
- C The distribution of borrowers reflects reasonable penetration among individuals of different income levels and businesses of different sizes; and,
- C There has been a reasonable dispersion of lending activities throughout the assessment area during the evaluation period.

DESCRIPTION OF INSTITUTION

As of October 22, 2001, Albany Bank & Trust (AB&T) is a \$79 million retail banking institution located in Albany, Georgia. AB&T is a wholly owned subsidiary of Community Capital Bancshares, Inc., an \$8.5 million publicly traded holding company. The bank has one office and an ATM located at 2815 Meredyth Drive in Albany. The holding company is also located at this address. In addition, the bank has a proprietary ATM located at the Albany Southwest Regional Airport.

AB&T opened for business April 28, 1999. As a new bank, AB&T is focused on building a customer base within the community. Their primary lending focus is commercial and residential real estate lending. There have been no changes to the bank's original corporate structure since it opened and there are no known financial or legal impediments that would hinder the bank from meeting the credit needs of its assessment area.

AB&T offers a wide variety of financial products including commercial loans, residential mortgage loans, home equity loans, consumer loans, deposit accounts and retail nondeposit investment products. As of October 22, 2001, net loans comprised 74% of assets. The composition of the loan portfolio is as follows: commercial/commercial real estate \$29 million (50%), residential real estate \$19 million (34%), and consumer lending \$9 million (16%).

The evaluation period for this review is from April 1999 to October 2001. This is the bank's first CRA evaluation.

DESCRIPTION OF THE ALBANY METROPOLITAN STATISTICAL AREA

AB&T designates the entire Albany Metropolitan Statistical Area (MSA) as its assessment area (AA). This includes all of Dougherty and Lee Counties. This area meets the requirements of the regulation and does not arbitrarily exclude low- or moderate-income geographies. The Albany MSA is comprised of thirty-four census tracts as defined by the U.S. Census Bureau of 1990. Of these census tracts, seven are designated low-income, seven are designated moderate-income, twelve are designated middle-income and eight are designated upper-income. According to the Census, 26% of families in the counties were considered low-income, 15% were moderate-income, 19% were middle-income, and 40% were upper-income families. The 2001 Housing and Urban Development estimate of the MSA/non-MSA median family income for Georgia was \$43,300.

Dougherty and Lee Counties are located in the southwest sector of Georgia. Albany, the largest city in the AA, is located 40 miles west of Tifton, Georgia, on U.S. Highway 82. Other cities in the AA include Bridgeboro, Putney, Leesburg, and Smithville. According to the Census, 23% of households receive Social Security and 14% are retired. Additionally, 92% of housing units were occupied with 51% being owner-occupied. The Albany MSA's estimated 2000 population was 121,000. The unemployment rate for August 2001 was approximately 5.1%. [These figures

were based on published demographic information and from the Albany Chamber of Commerce.]

Manufacturing is the major industry. The area has 118 manufacturing plants and two industrial parks. Major manufacturing employers include Proctor & Gamble, Bob's Candies, Cooper Tires, Miller Brewing, and M&M Mars. Other major employers in the area include the Phoebe Putney Regional Hospital and the United States Marine Core Logistics Base.

The following table highlights the demographic composition of the bank's assessment area.

Type of Census Tract	Number of Census Tracts	Percentage of Total Number of Census Tracts	Number of Households in Census Tract	Percentage of Households in Census Tract
Low (less than \$25,650)	7	20.59%	7,485	19.07%
Moderate (\$26,651 to \$34,640)	7	20.59%	8,197	20.88%
Middle (\$34,461 to \$51,960)	12	35.29%	12,485	31.8%
Upper (greater than \$51,960)	8	23.53%	28.25	13.6%

The Dougherty & Lee Counties banking industry is highly competitive. In addition to AB&T, financial services are offered by branches of multi-national and regional banks such as Bank of America, SunTrust, Synovus and Regions Banks. Local community banks such as First National Bank of South Georgia and the Bank of Lee, along with other local saving banks, and credit unions in the area, afford community residents alternatives for meeting their particular banking needs. As part of our examination, we met with a representative from the community regarding local economic conditions and community credit needs. Based on information provided by the representative of the City of Albany's local government, the primary lending need is concentrated in funding small businesses.

CONCLUSIONS ABOUT PERFORMANCE CRITERIA

LOAN-TO-DEPOSIT RATIO - Meets the Standard for Satisfactory Performance

The bank's loan-to-deposit ratio is satisfactory based on its size, recent entry into the market, and assessment of the area's credit needs. The average net loan-to-deposit ratio using quarter-end information from June 30, 1999 to June 30, 2001, was 69.64%. The local peer bank, chosen for comparison due to similar size (under \$100 million in total assets), market, assessment area, and range of services averaged 102.16% during the same time period. National peer group banks averaged 68.63% during this time period. While AB&T's average appears low in comparison to its local peer, it is offset by the fact that it is a new institution in process of establishing its niche and building a customer base within the competitive service area. As of October 22, 2001, the

loan-to-deposit ratio was 92%.

LENDING IN THE ASSESSMENT AREA - Meets the Standard for Satisfactory Performance

A majority of the bank's lending is within its defined assessment area. An analysis of a sample of 25 residential real estate loans originated by the bank April 28 and October 22, 2001 found that a satisfactory percentage were granted within the bank's assessment area (AA).

The following table details this conclusion.

Lending in the Assessment Area - Residential Real Estate					
	# of Loans in sample	%	\$ of Loans (000s)	%	
Inside AA	22	88	1,686	92	
Outside AA	3	12	157	8	
Totals	25	100	1,843	100	

In addition, because the bank also focuses on commercial lending, we performed an analysis of the distribution of these loans. The results of the analysis are detailed below.

Lending in the Assessment Area - Commercial Lending					
	# of Loans in sample	%	\$ of Loans (000s)	%	
Inside AA	22	96	2,595	95	
Outside AA	1	4	130	5	
Totals	23	100	2,725	100	

LENDING TO BORROWERS OF DIFFERENT INCOMES AND TO BUSINESSES OF DIFFERENT SIZES - Meets the Standard for Satisfactory Performance

The dispersion of loans to borrowers of different income levels and to businesses of different sizes is reasonable. We sampled a total of 22 residential real estate loans made within the AA to determine the income levels of borrowers. As the following table indicates, AB&T's lending to borrowers of low- and moderate-income levels is satisfactory in view of the demographics of the assessment area, the type of census tract which immediately surrounds the bank's one office (upper-income) and the bank's recent entry into the market. Approximately 27% of the number of loans and 19% of the dollar volume of loans were granted to low- and moderate-income borrowers. Distribution at other income levels is considered reasonable.

Distribution of Loans by Borrower Income Level in Assessment Area				
Income Level	% Families in Assessment Area	% of Loans by Number	% of Loans by Dollar	Average Loan (\$000s)
Low	17%	4%	2%	50
Moderate	22%	23%	17%	57
Middle	30%	23%	8%	27
Upper	31%	50%	73%	112
Total	100%	100%	100%	

The bank's lending volume regarding loans to small businesses is satisfactory, especially in consideration of the community credit need to lend to small businesses. We chose a sample of 22 business loans made within the bank's assessment area. Of that number, 19 loans, or 86%, were made to businesses having annual revenues of less than \$1 million.

Total Annual Revenue	Percentage of Total Business Loans Sampled (Non Farm)		
	Number of Loans	Dollar Volume	% Small Businesses in AA
<\$500 thousand	54%	57%	
\$500 to \$999 thousand	32%	38%	
<\$1 million (small Business)	86%	95%	89%
>\$1 million (large Business)	14%	5%	

GEOGRAPHIC DISTRIBUTION OF LOANS - Meets the Standard for Satisfactory Performance

There is a reasonable distribution of loans extended within the assessment area. As noted previously, the bank has recently entered the Albany market and is currently conducting business from a single office located in an upper-income census tract. Our analysis used the same residential real estate related loans within the assessment area discussed in the previous performance criteria. The following table reflects the distribution of these loans within the bank's assessment area by income designation of census tract.

Geographic Analysis of Residential RE Loans Sampled by Percentage Originating Between April 28, 1999 and October 22, 2001			
Type Of Census Tract	% of Number of Loans Within the Type of Census Tract	% of Dollar Amount of Loans Within the Type of Census Tract	Owner Occupied Units Within the Type of Census Tract
Low-income	9%	4%	10%
Moderate-Income	14%	16%	18%
Middle-Income	23%	29%	33%
Upper-Income	54%	51%	39%

The sample analysis disclosed that AB&T has originated mortgage loans in 35% of the census tracts in the AA. The sample distribution is considered reasonable considering the location of the bank's office, its recent entry into the market, its current financial and human resources, and families within the respective census tracts.

RESPONSE TO CONSUMER COMPLAINTS

AB&T has not received any consumer complaints concerning CRA since opening for business.

Fair Lending

An analysis of 1999 and 2000 public comments and consumer complaint information was performed according to the OCC's risk-based fair lending approach. Based on its analysis of information, the OCC decided that a comprehensive fair lending examination would not need to be conducted in connection with the CRA evaluation this year.